

ASSEMBLY BILL

No. 596

Introduced by Assembly Member Brown

February 20, 2013

An act to amend Section 15438.10 of the Government Code, relating to health care facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 596, as introduced, Brown. Health care services grants.

Existing law establishes a program for the California Health Facilities Authority to award grants that do not exceed \$1,500,000 to one or more projects designed to demonstrate specified new or enhanced cost-effective methods of delivering quality health care services to improve access to quality health care for vulnerable populations or communities, or both, that are effective at enhancing health outcomes and improving access to quality health care and preventive services.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 15438.10 of the Government Code is
- 2 amended to read:
- 3 15438.10. (a) The Legislature finds and declares the following:
- 4 (1) Many Californians face serious obstacles in obtaining needed
- 5 health care services, including, but not limited to, medical, mental
- 6 health, dental, and preventive services. The obstacles faced by

1 vulnerable populations and communities include existence of
2 complex medical, physical, or social conditions, disabilities,
3 economic disadvantage, and living in remote or underserved areas
4 that make it difficult to access services.

5 (2) With the recent passage of national health care reform, there
6 is an increased demand for innovative ways to deliver quality
7 health care, including preventive services, to individuals in a
8 cost-effective manner.

9 (3) There is a need to develop new methods of delivering health
10 services utilizing innovative models that can be demonstrated to
11 be effective and then replicated throughout California and that
12 bring community-based health care preventive services to
13 individuals where they live or receive education, social, or general
14 health services.

15 (4) For more than 30 years, the California Health Facilities
16 Financing Authority has provided financial assistance through
17 tax-exempt bonds, low-interest loans, and grants to health facilities
18 in California, assisting in the expansion of the availability of health
19 services and health care facilities throughout the state.

20 (b) (1) Following the completion of a competitive selection
21 process, the authority may award one or more grants that, in the
22 aggregate, do not exceed one million five hundred thousand dollars
23 (\$1,500,000) to one or more projects designed to demonstrate
24 specified new or enhanced cost-effective methods of delivering
25 quality health care services to improve access to quality health
26 care for vulnerable populations or communities, or both, that are
27 effective at enhancing health outcomes and improving access to
28 quality health care and preventive services. These health care
29 services may include, but are not limited to, medical, mental health,
30 or dental services for the diagnosis, care, prevention, and treatment
31 of human illness, or individuals with physical, mental, or
32 developmental disabilities. More than one demonstration project
33 may receive a grant pursuant to this section. It is the intent of the
34 Legislature for a demonstration project that receives a grant to
35 allow patients to receive screenings, diagnosis, or treatment in
36 community settings, including, but not limited to, school-based
37 health centers, adult day care centers, and residential care facilities
38 for the elderly, or for individuals with mental illness or
39 developmental disabilities.

1 (2) A grant awarded pursuant to this subdivision may be
2 allocated ~~in increments~~ to a demonstration project *in increments*
3 over multiple years to ensure the demonstration project's ability
4 to complete its work, as determined by the authority. Prior to the
5 initial allocation of funds pursuant to this subdivision, the
6 administrators of the demonstration project shall provide evidence
7 that the demonstration project has or will have additional funds
8 sufficient to ensure completion of the demonstration project. If the
9 authority allocates a grant in increments, each subsequent year's
10 allocation shall be provided to the demonstration project only upon
11 submission of research that shows that the project is progressing
12 toward the identification of a high-quality and cost-effective
13 delivery model that improves health outcomes and access to quality
14 health care and preventive services for vulnerable populations or
15 communities, and can be replicated throughout the state in
16 community settings.

17 (3) Except for a health facility that qualifies as a "small and
18 rural hospital" pursuant to Section 124840 of the Health and Safety
19 Code, a health facility that has received tax-exempt bond financing
20 from the authority shall not be eligible to receive funds awarded
21 for a demonstration project. Such a health facility may participate
22 as an uncompensated partner or member of a collaborative effort
23 that is awarded a demonstration project grant. A health facility
24 that participates in a demonstration project that receives funds
25 pursuant to this section may not claim the funding provided by the
26 authority toward meeting its community benefit and charity care
27 obligations.

28 (4) Funds provided to a demonstration project pursuant to this
29 subdivision may be used to supplement, but not to supplant,
30 existing financial and resource commitments of the grantee or
31 grantees or any other member of a collaborative effort that has
32 been awarded a demonstration project grant.

33 (c) (1) If a demonstration project that receives a grant pursuant
34 to subdivision (b) is successful at developing a new method of
35 delivering high-quality and cost-effective health care services in
36 community settings that result in increased access to quality health
37 care and preventive services or improved health care outcomes for
38 vulnerable populations or communities, or both, then beginning
39 as early as the second year after the initial allocation of moneys
40 provided pursuant to subdivision (b), the authority may implement

1 a second grant program that awards not more than five million
2 dollars (\$5,000,000), in the aggregate, to eligible recipients as
3 defined by the authority, to replicate in additional California
4 communities the model developed by a demonstration project that
5 received a grant pursuant to subdivision (b). Prior to the
6 implementation of this second grant program, the authority shall
7 prepare and provide a report to the Legislature and the Governor
8 on the outcomes of the demonstration project. The report shall be
9 made in accordance with Section 9795.

10 (2) If the authority implements the second grant program, the
11 authority shall also report annually, beginning with the first year
12 of implementation of the second grant program, to the Legislature
13 and the Governor regarding the program, including, but not limited
14 to, the total amount of grants issued pursuant to this subdivision,
15 the amount of each grant issued, and a description of each project
16 awarded funding for replication of the model.

17 (3) Grants under this subdivision may be utilized for eligible
18 costs, as defined in subdivision (c) of Section 15432, including
19 equipment, information technology, and working capital, as defined
20 in subdivision (h) of Section 15432.

21 (4) The authority may adopt regulations relating to the grant
22 program authorized pursuant to this subdivision, including
23 regulations that define eligible recipients, eligible costs, and
24 minimum and maximum grant amounts.

25 (d) (1) The authority shall prepare and provide a report to the
26 Legislature and the Governor by January 1, 2014, on the outcomes
27 of the demonstration grant program, including, but not limited to,
28 the following:

29 (A) The total amount of grants issued.

30 (B) The amount of each grant issued.

31 (C) A description of other sources of funding for each project.

32 (D) A description of each project awarded funding.

33 (E) A description of project outcomes that demonstrate
34 cost-effective delivery of health care services in community
35 settings, that result in improved access to quality health care or
36 improved health care outcomes.

37 (2) A report submitted pursuant to this subdivision shall be
38 submitted in compliance with Section 9795.

39 (e) There is hereby created the California Health Access Model
40 Program Account in the California Health Facilities Financing

1 Authority Fund. All moneys in the account are hereby continuously
2 appropriated to the authority for carrying out the purposes of this
3 section. An amount of up to six million five hundred thousand
4 dollars (\$6,500,000) shall be transferred from funds in the
5 California Health Facilities Financing Authority Fund that are not
6 impressed with a trust for other purposes into the California Health
7 Access Model Program Account for the purpose of issuing grants
8 pursuant to this section. Any moneys remaining in the California
9 Health Access Model Program Account on January 1, 2020, shall
10 revert, as of that date, to the California Health Facilities Financing
11 Authority Fund.

12 (f) Any recipient of a grant provided pursuant to subdivision
13 (b) shall adhere to all applicable laws relating to scope of practice,
14 licensure, staffing, and building codes.